

SERIAL 10113 RFP AUDIT OF FINANCIAL STATEMENTS- STADIUM DISTRICT

DATE OF LAST REVISION: May 19, 2011

CONTRACT END DATE: May 31, 2012

CONTRACT PERIOD THROUGH ~~JUNE 30~~ MAY 31, 2012

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **AUDIT OF FINANCIAL STATEMENTS- STADIUM DISTRICT**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **April 28, 2011 (Eff. 06/01/11)**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Chief Procurement Officer
Materials Management

JM/mm
Attach

Copy to: Materials Management
Barbara Norris, Stadium District

(Please remove Serial 06014-RFP from your contract notebooks)



CONTRACT PURSUANT TO RFP

SERIAL 10113 -RFP

This Contract is entered into this 28th day of April, 2011 by and between Maricopa County Stadium District ("District"), a political subdivision of the State of Arizona, and Larson Allen LLP, ("Contractor") for the purchase of auditing of financial services.

1.0 CONTRACT TERM:

- 1.1 This Contract is for a term of one (1) year, beginning on the 1st day of June, 2011 and ending the 31st ~~30th~~ day of ~~May~~ June, 2012.
- 1.2 The District may, at its option and with the agreement of the Contractor, renew the term of this Contract for additional one (1) year terms up to a maximum of five (5) years, (or at the Stadium District's sole discretion, extend the contract on a month-to-month bases for a maximum of six (6) months after expiration). The District shall notify the Contractor in writing of its intent to extend the Contract term at least thirty (30) calendar days prior to the expiration of the original contract term, or any additional term thereafter.

2.0 PAYMENT

- 2.1 As consideration for performance of the duties described herein, District shall pay Contractor the sum(s) stated in Exhibit "A."
- 2.2 Payment shall be made upon the District's receipt of a properly completed invoice. Invoices shall contain the following information: Contract number, purchase order number, item numbers, description of supplies and/or services, sizes, quantities, unit prices, extended totals and any applicable sales/use tax.

3.0 DUTIES

- 3.1 The Contractor shall perform all duties stated in Exhibits B.
- 3.2 The Contractor shall perform services at the location(s) and time(s) stated in Exhibit "B," or as otherwise directed in writing.
- 3.3 During the Contract term, District shall provide Contractor's personnel with adequate workspace for consultants and such other related facilities as may be required by Contractor to carry out its contractual obligations.

4.0 TERMS & CONDITIONS

4.1 INDEMNIFICATION:

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless District, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including, but not limited to, attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to

have resulted from the negligent acts, errors, omissions or mistakes relating to the performance of this Contract. Contractor's duty to defend, indemnify and hold harmless District, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property, including loss of use resulting there from, caused by any negligent acts, errors, omissions or mistakes in the performance of this Contract including any person for whose acts, errors, omissions or mistakes Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the sole negligence of District.

4.2 INSURANCE REQUIREMENTS:

Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++6. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of District. The form of any insurance policies and forms must be acceptable to District.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of District, constitute a material breach of this Contract.

Contractor's insurance shall be primary insurance as respects District, and any insurance or self-insurance maintained by District shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the District's right to coverage afforded under the insurance policies.

The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to District under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and District, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

District reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. District shall not be obligated, however, to review such policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of District's right to insist on strict fulfillment of Contractor's obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation, and Errors and Omissions, shall name District, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The policies required hereunder, except Workers' Compensation, and Errors and Omissions, shall contain a waiver of transfer of rights of recovery (subrogation) against District, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.

Contractor is required to procure and maintain the following coverages:

4.2.1 Commercial General Liability.

Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products/Completed Operations Aggregate, and \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provision which would serve to limit third party action over claims. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

4.2.2 Automobile Liability.

Commercial/Business Automobile Liability insurance and, if necessary, Commercial Umbrella insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any of the Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services under this Contract.

4.2.3 Workers' Compensation.

Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services under this Contract; and Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

Contractor waives all rights against District and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Contractor pursuant to this Contract.

4.2.4 Errors and Omissions Insurance.

Errors and Omissions insurance and, if necessary, Commercial Umbrella insurance, which will insure and provide coverage for errors or omissions of the Contractor, with limits of no less than \$1,000,000 for each claim.

4.2.5 Certificates of Insurance.

4.2.5.1 Prior to commencing work or services under this Contract, Contractor shall have insurance in effect as required by the Contract in the form provided by the District, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall be made available to the District upon 48 hours notice. **BY SIGNING THE AGREEMENT PAGE THE CONTRACTOR AGREES TO THIS REQUIREMENT AND UNDERSTANDS THAT FAILURE TO MEET THIS REQUIREMENT WILL RESULT IN CANCELLATION OF THIS CONTRACT.**

In the event any insurance policy (ies) required by this Contract is (are) written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of Contractor's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to District fifteen (15) days prior to the expiration date.

4.2.5.2 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the District.

4.3 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For District:

Maricopa County Stadium District
Attn: Barbara Norris Financial/Business Analyst
401 East Jefferson Street
Phoenix, Arizona 85004

For Contractor:

LarsonAllen
Attn: Dennis J. Osuch, CPA
1201 South Alma Road, Suite 14000
Mesa, AZ 85210

4.4 REQUIREMENTS CONTRACT:

4.4.1 Contractor signifies its understanding and agreement by signing this document that this Contract is a requirements contract. This Contract does not guarantee any purchases will be made (minimum or maximum). Orders will only be placed when District identifies a need and issues a purchase order or a written notice to proceed.

4.4.2 District reserves the right to cancel purchase orders or notice to proceed within a reasonable period of time after issuance. Should a purchase order or notice to proceed be canceled, the District agrees to reimburse the Contractor for actual and documented costs incurred by the Contractor. The District will not reimburse the Contractor for any avoidable costs incurred after receipt of cancellation, or for lost profits, or shipment of product or performance of services prior to issuance of a purchase order or notice to proceed.

4.4.3 Contractor agrees to accept oral cancellation of purchase orders.

4.5 PRICE ADJUSTMENTS:

Any requests for reasonable price adjustments must be submitted sixty (60) days prior to the Contract expiration date. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If District agrees to the adjusted price terms, District shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the (Consumer Price Index) or by performing a market survey.

4.6 TERMINATION FOR CONVENIENCE:

The District reserves the right to terminate the Contract in whole or in part at any time, when in the best interests of the District without penalty or recourse. Upon receipt of the written notice, the Contractor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the District. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the District upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination.

4.7 TERMINATION FOR DEFAULT:

- 4.7.1 In addition to the rights reserved in the Contract, the District may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- 4.7.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the District on demand.
- 4.7.3 The District may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the District for any excess costs incurred by the District in procuring materials or services in substitution for those due from the Contractor.
- 4.7.4 The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

4.8 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. §38-511 the District may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the District is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S §38-511 the District may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the District from any other party to the contract arising as the result of the Contract.

4.9 OFFSET FOR DAMAGES:

In addition to all other remedies at law or equity, the District may offset from any money due to the Contractor any amounts Contractor owes to the District for damages resulting from breach or deficiencies in performance under this contract.

4.10 ADDITIONS/DELETIONS OF SERVICE:

The District reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the proposal price. If additional services and/or products are required from this Contract, prices for such additions will be negotiated between the Contractor and the District.

4.11 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the District, which shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Proposal Serial Number and identify the job project.

4.12 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.13 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for six (6) years after final payment or until after the resolution of any audit questions which could be more than six (6) years, whichever is longer. The District, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse District for the services not so adequately supported and documented.

4.14 AUDIT DISALLOWANCES:

If at any time, District determines that a cost for which payment has been made is a disallowed cost, such as overpayment, District shall notify the Contractor in writing of the disallowance. District shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

4.15 ALTERNATIVE DISPUTE RESOLUTION:

4.15.1 After the exhaustion of the administrative remedies provided in the Maricopa County Stadium District Procurement Code, any contract dispute in this matter is subject to compulsory arbitration. Provided the parties participate in the arbitration in good faith, such arbitration is not binding and the parties are entitled to pursue the matter in state or federal court sitting in Maricopa County for a de novo determination on the law and facts. If the parties cannot agree on an arbitrator, each party will designate an arbitrator and those two arbitrators will agree on a third arbitrator. The three arbitrators will then serve as a panel to consider the arbitration. The parties will be equally responsible for the compensation for the arbitrator(s). The hearing, evidence, and procedure will be in accordance with Rule 74 of the Arizona Rules of Civil Procedure. Within ten (10) days of the completion of the hearing the arbitrator(s) shall:

4.15.1.1 Render a decision;

4.15.1.2 Notify the parties that the exhibits are available for retrieval; and

4.15.1.3 Notify the parties of the decision in writing (a letter to the parties or their counsel shall suffice).

4.15.2 Within ten (10) days of the notice of decision, either party may submit to the arbitrator(s) a proposed form of award or other final disposition, including any form of award for attorneys' fees and costs. Within five (5) days of receipt of the foregoing, the opposing party may file objections. Within ten (10) days of receipt of any objections, the arbitrator(s) shall pass upon the objections and prepare a signed award or other final disposition and mail copies to all parties or their counsel.

4.15.3 Any party which has appeared and participated in good faith in the arbitration proceedings may appeal from the award or other final disposition by filing an action in the state or federal court sitting in Maricopa County within twenty (20) days after date of the award or other final disposition. Unless such action is dismissed for failure to prosecute, such action will make the award or other final disposition of the arbitrator(s) a nullity.

4.16 SEVERABILITY:

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this Contract.

4.17 RIGHTS IN DATA:

The District shall own have the use of all data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.18 INTEGRATION:

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

4.19 GOVERNING LAW:

This Contract shall be governed by the laws of the State of Arizona. Venue for any actions or lawsuits involving this Contract will be in Maricopa County Superior Court or in the United States District Court for the District of Arizona, sitting in Phoenix, Arizona.

4.20 INCORPORATION OF DOCUMENTS:

The following are to be attached to and made part of this Contract.

4.20.1 Exhibit A, Pricing.

4.20.2 Exhibit B, Scope of Work

4.20.3 Exhibit B-2, Questions & Answers

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR



AUTHORIZED SIGNATURE

Dennis J. Osuch Principal
PRINTED NAME AND TITLE

1201 S. Alma School Rd. Suite 1400
ADDRESS Mesa, AZ 85210

4-25-11
DATE

MARICOPA COUNTY STADIUM DISTRICT

BY: 
CHIEF PROCUREMENT OFFICER, MATERIALS
MANAGEMENT

BY: _____
CHAIRMAN, BOARD OF DIRECTORS

5/11/11
DATE

DATE

ATTESTED:

CLERK OF THE BOARD

DATE

APPROVED AS TO FORM:


LEGAL COUNSEL

May 4 2011
DATE

EXHIBIT A PRICING

SERIAL 10113-RFP**PRICING SHEET: 94620**

RESPONDENT NAME:	<u>LarsonAllen LLP</u>
RESPONDENT ADDRESS:	<u>1201 South Alma School Rd, Suite 14000, Mesa, AZ 85210</u>
P.O. ADDRESS:	<u>N/A</u>
RESPONDENT PHONE #:	<u>480-615-2300</u>
RESPONDENT FAX #:	<u>480-615-2350</u>
RESPONDENT'S WEB SITE:	<u>www.larsonallen.com</u>
RESPONDENT'S CONTACT (REP):	<u>Dennis J. Osuch</u>
E-MAIL ADDRESS (REP)	<u>dosuch@larsonallen.com</u>

WILLING TO ACCEPT FUTURE SOLICATIONS VIA E-MAIL: X YES NO

ACCEPT PROCUREMENT CARD: YES X NO

REBATE (CASH OR CREDIT) FOR UTILIZING PROCUREMENT CARD: YES X NO Rebate

INTERNET ORDERING CAPABILITIES: YES X NO Rebate

OTHER GOV'T AGENCIES MAY USE THIS CONTRACT: YES X NO

PAYMENT TERMS: RESPONDENT IS REQUIRED TO PICK ONE OF THE FOLLOWING.
TERMS WILL BE CONSIDERED IN DETERMINING RESPONDENT'S PROPOSAL PRICE.
FAILURE TO CHOOSE A TERM WILL RESULT IN A DEFAULT TO NET 30.

RESPONDENT MUST INITIAL THE SELECTION BELOW.

NET 10 <u> </u>	NET 90 <u> </u>
NET 15 <u> </u>	2% 10 DAYS NET 30 <u> </u>
NET 20 <u> </u>	1% 10 DAYS NET 30 <u> </u>
NET 30 <u> <i>Dennis J. Osuch</i> </u>	2% 30 DAYS NET 31 <u> </u>
NET 45 <u> </u>	1% 30 DAYS NET 31 <u> </u>
NET 60 <u> </u>	5% 30 DAYS NET 31 <u> </u>

1.0 FINANCIAL STATEMENTS:

<u>ITEM DESCRIPTION</u>	<u>HOURLY RATE</u>	<u>ESTIMATED HOURS</u>	<u>NOT TO EXCEED PRICE</u>
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1.1 2011 Audit of Comprehensive Annual Financial Report

1.1.1 Partner	<u>\$ 195</u>	<u>25</u>	<u>\$4,875</u>
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1.1.2 Manager	160	40	6,400
1.1.3 Senior	130	60	7,800
1.1.4 Staff	90	125	11,250
1.1.5 Other Expenses	65	20	1,300
(Include report production, duplication and other miscellaneous expenses.)			
1.1.5.1 Clerical		see 1.1.5	
1.1.5.2			
1.1.5.3			
1.1.5.4			
		2011 AUDIT TOTAL NOT- TO-EXCEED AMOUNT	\$31,265

ITEM DESCRIPTION	HOURLY RATE	ESTIMATED HOURS	NOT TO EXCEED PRICE
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1.2 2012 Audit of Comprehensive Annual Financial Report

1.2.1 Partner	\$ 200	25	\$ 5,000
1.2.2 Manager	165	40	6,600
1.2.3 Senior	135	60	8,100
1.2.4 Staff	95	125	11,875
1.2.5 Other Expenses	65	20	1,300
(Include report production, duplication and other miscellaneous expenses.)			
1.2.5.1 Clerical		see 1.2.5	
1.2.5.2			
1.2.5.3			
1.2.5.4			
		2012 AUDIT TOTAL NOT- TO-EXCEED AMOUNT	\$32,875

1.3 2013 Audit of Comprehensive Annual Financial Report

1.3.1 Partner	\$ 203	25	\$ 5,075
1.3.2 Manager	167	40	6,680
1.3.3 Senior	137	60	8,220
1.3.4 Staff	98	125	12,250
1.3.5 Other Expenses	68	20	1,360
(Include report production, duplication and other miscellaneous expenses.)			
1.3.5.1 Clerical		see 1.3.5	
1.3.5.2			
1.3.5.3			
1.3.5.4			
		2013 AUDIT TOTAL NOT- TO-EXCEED AMOUNT	\$33,585

1.4 2014 Audit of Comprehensive Annual Financial Report

1.4.1 Partner	\$ 206	25	\$ 5,150
1.4.2 Manager	170	40	6,800
1.4.3 Senior	140	60	8,400
1.4.4 Staff	100	125	12,500
1.4.5 Other Expenses	70	20	1,400
(Include report production, duplication and other miscellaneous expenses.)			
1.4.5.1 Clerical		see 1.4.5	
1.4.5.2			
1.4.5.3			
1.4.5.4			
		2014 AUDIT TOTAL NOT- TO-EXCEED AMOUNT	\$34,250

ITEM DESCRIPTION	HOURLY RATE	ESTIMATED HOURS	NOT TO EXCEED PRICE
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1.5 2015 Audit of Comprehensive Annual Financial Report

1.5.1 Partner	\$ 210	25	\$ 5,250
1.5.2 Manager	173	40	6,920
1.5.3 Senior	143	60	8,580
1.5.4 Staff	103	125	12,875
1.5.5 Other Expenses	70	20	1,400
(Include report production, duplication and other miscellaneous expenses.)			
1.5.5.1 Clerical		see 1.5.5	
1.5.5.2			
1.5.5.3			
1.5.5.4			
		2015 AUDIT TOTAL NOT- TO-EXCEED AMOUNT	\$35,025

2.0 BOOKING MANAGEMENT CONTRACT:**2.1 2011 Agreed upon procedures for Booking Management Contract**

2.1.1 Partner	\$ 195	4	\$ 780
2.1.2 Manager	160	4	640
2.1.3 Senior	130	8	1,040
2.1.4 Staff	90	24	2,160
2.1.5 Other Expenses	65	5	325
(Include report production, duplication and other miscellaneous expenses.)			

2.1.5.1 Clerical	see 2.1.5	
2.1.5.2		
2.1.5.3		
2.1.5.4		
	2011 BOOKING MGMT TOTAL NOT- TO-EXCEED AMOUNT	\$ 4,945

2.2 2012 Agreed upon procedures for Booking Management Contract

2.2.1 Partner	\$ 200	4	\$ 800
2.2.2 Manager	165	4	660
2.2.3 Senior	135	8	1,080
2.2.4 Staff	95	24	2,280
2.2.5 Other Expenses	65	5	325
(Include report production, duplication and other miscellaneous expenses.)			
2.2.5.1 Clerical	see 2.2.5		
2.2.5.2			
2.2.5.3			
2.2.5.4			
	2012 BOOKING MGMT TOTAL NOT- TO-EXCEED AMOUNT		\$ 5,145

ITEM DESCRIPTION	HOURLY RATE	ESTIMATED HOURS	NOT TO EXCEED PRICE
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2.3 2013 Agreed upon procedures for Booking Management Contract

2.3.1 Partner	\$ 203	4	\$ 812
2.3.2 Manager	167	4	668
2.3.3 Senior	137	8	1,096
2.3.4 Staff	98	24	2,352
2.3.5 Other Expenses	68	5	340
(Include report production, duplication and other miscellaneous expenses.)			
2.3.5.1 Clerical	see 2.3.5		
2.3.5.2			
2.3.5.3			
2.3.5.4			
	2013 BOOKING MGMT TOTAL NOT- TO-EXCEED AMOUNT		\$ 5,268

2.4 2014 Agreed upon procedures for Booking Management Contract

2.4.1 Partner	\$ 206	4	\$ 824
2.4.2 Manager	170	4	680
2.4.3 Senior	140	8	1,120
2.4.4 Staff	100	24	2,400
2.4.5 Other Expenses	70	5	350
(Include report production, duplication and other miscellaneous expenses.)			
2.4.5.1 Clerical		see 2.4.5	
2.4.5.2			
2.4.5.3			
2.4.5.4			
2014 BOOKING MGMT TOTAL NOT- TO-EXCEED AMOUNT			\$ 5,374

2.5 2015 Agreed upon procedures for Booking Management Contract

2.5.1 Partner	\$ 210	4	\$ 840
2.5.2 Manager	173	4	692
2.5.3 Senior	143	8	1,144
2.5.4 Staff	103	24	2,472
2.5.5 Other Expenses	70	5	350
(Include report production, duplication and other miscellaneous expenses.)			
2.5.5.1 Clerical		see 2.5.5	
2.5.5.2			
2.5.5.3			
2.5.5.4			
2015 BOOKING MGMT TOTAL NOT- TO-EXCEED AMOUNT			\$ 5,498

EXHIBIT B SCOPE OF SERVICES

1.0 INTENT:

The purpose of this contract is for Auditing Services for the Maricopa County Stadium District. The Maricopa County Stadium District (District) desires the audit firm to express an opinion on the fair presentation of the District's financial statements contained in the Comprehensive Annual Financial Report in conformity with generally accepted accounting principles, as well as perform the necessary audit procedures related to that opinion and the Comprehensive Annual Financial Report. The District may also request the audit firm to apply agreed upon procedures to evaluate the revenue received under the District's Booking Management Agreement.

1.1 Background:

The District is a component unit of Maricopa County. Component units are legally separate entities for which the County is considered to be financially accountable.

The District was formed through action of the Maricopa County Board of Supervisors in September 1991 pursuant to Title 48, Chapter 26, Arizona Revised Statutes (ARS). The District and the County have the same boundaries. The District has a Board of Directors consisting of the five members of the Maricopa County Board of Supervisors, with the County Administrative Officer serving as the Executive Director of the District. The District's fiscal year begins on July 1 and ends on June 30. The District uses the Maricopa County financial system to maintain its financial records.

The District has two purposes authorized by ARS. Its primary function is to oversee the operation and maintenance of Chase Field, which opened in 1998. Construction of the facility was funded by a quarter cent sales tax (which ended in November 1997). Since that time, the District and Chase Field have been funded entirely through revenue generated from the use of the facility.

The second function of the District is to enhance and promote major league baseball spring training within the County through the development of new, and the improvement of existing, baseball training facilities. The District entered into an Intergovernmental Agreement (IGA) in 2003 with the Arizona Sports and Tourism Authority to take over these duties. To accomplish this purpose, the District possesses the statutory authority to issue special obligation bonds to provide financial assistance. In 2002, the District refinanced all outstanding bond issuances into one refunding issuance and now also receives an Auto Rental Tax which is dedicated to repaying the bonds.

2.0 SCOPE OF SERVICES:

The following scope of services are those noted within your request for proposal and the additional services included in reaching our goal of attaining the highest quality services the contractor can provide your Organization.

2.1 We will draft the comprehensive annual financial reports from your records and audit the financial statements of the Maricopa County Stadium District (the "District") in accordance with auditing standards generally accepted in the United States of America (generally accepted auditing standards) and *Government Auditing Standards*. Our opinions will be expressed on the fair presentation of the District's financial statements. The contractor will not provide an audit opinion on the introductory section, statistical section or management's discussion and analysis. The contractor will provide an "in relation to" opinion on combining and individual fund financial statements, if applicable, which are presented as supplementary information in the District's financial statements.

2.2 The contractor shall provide a report on compliance and internal control over financial reporting as required by *Government Auditing Standards*.

- 2.3 The contractor shall perform agreed-upon procedures to evaluate the revenue received under the District's Booking Management Agreement and provide a report of our findings and conclusions.
- 2.4 The contractor shall deliver a management letter of our comments and recommendations regarding internal control and other matters observed during the course of our engagement.
- 2.5 The contractor shall communicate with those charged with governance as required by generally accepted auditing standards (SAS 114). The contractor shall make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which become aware to the Audit Committee.
- 2.6 The following pages present the planned approach to the audit, ensuring we meet your deadlines and requirements, including staffing, segmentation of the audit and procedures we anticipate performing. The contractor shall meet with management and those charged with governance on an interim basis to provide support for the District and to serve as a resource to your staff throughout the year.

2.6.1 Partner, Supervisory and Staff Qualifications and Experience

2.6.2 The following table and explanations describe plan to staff the audit to meet those requirements.

	Member	CPA License	Audit Experience	CPE in the past 3 years	Position	Expected Hours
Dennis J. Osuch	1,2	Yes	13	3	Lead Principal	25
Anita Supinski	1,2	Yes	21	3	Principal	4
Tylan Miller	2	Yes	8	3	Quality Control Manager	44
Dennis Maschke	2	Yes	5	3	Senior	68
Staff	N/A	No	1-5	3	Staff	75
Staff	N/A	No	1-5	3	Staff	74

1. Member of GFOA
2. American Institute of CPAs
3. Has met or exceeded 40 hours of continuing professional education each of the last three years.

2.6.3 A more detailed presentation of hours by staff level and audit area is presented in the Specific Audit Approach section of our proposal.

2.6.4 The lead principal will be materially involved during the audit, including fieldwork and shall be responsible for supervising staff at all levels. You can expect the lead principal to be on-site during fieldwork. The Manager and Senior in charge will be on-site during both the preliminary and final fieldwork. They shall be responsible for communicating directly with management. The Manager, Senior and staff assigned to the audit shall not be working on other audits concurrently with the Stadium District.

2.6.5 The contractor staff at the local office range in experience from one to five years. Based on the complexity of the District and the challenges that face a first year audit, the contractor expects one of the staff members to have two or more years of specific Arizona government experience. At our local office the contractor have more than twenty staff members and almost half have more than three years of Arizona government experience. Based on the results of our planning meeting the contractor may draw upon experience from our other offices to ensure you receive a quality audit.

2.6.6 Each of our staff members receive more than 40 hours of live CPE each year through our internally developed learning and development program. At Larson Allen, the contractor

has administrative staff dedicated one hundred percent to monitoring staff CPE and development of our learning and development program.

- 2.6.7 At Larson Allen, we believe the consistency of staff members assigned to the audit is paramount in providing an effective and efficient audit. During the five year contract, the contractor shall not change the principal-in-charge, manager or senior accountant and the contractor shall make every effort to assign the same staff to the engagement each of the five years. Due to unexpected staff turnover or staff promotions, the contractor shall make every effort to maintain the same staff only in a different capacity. If our key personnel should change, the contractor shall discuss any change with management and the contractor will provide relative experience.

2.7 SPECIFIC AUDIT APPROACH:

- 2.7.1 Work plan summary shall meet with District management and/or those charged with governance to design the exact audit schedule.

Our delivery of services includes the development of a work plan which shall consist of:

Pre-audit (Upon contract award)	<input type="checkbox"/> The contractor shall complete our client continuance procedures and shall review prior auditor working papers.
Planning (April 2011)	<input type="checkbox"/> A planning meeting with those charged with governance, management and staff. The purpose of this meeting is to develop an understanding of the exact audit time lines and expectations and to complete fraud risk assessment procedures (SAS 99 – required for all audits). <input type="checkbox"/> Following our planning meeting the contractor shall provide a client assistance letter specifying the items that management will need to prepare or make available for our audit team, thus maximizing the efficiency of our services and ultimately minimizing the cost to your organization.
Communication	<input type="checkbox"/> The contractor will plan to touch base with Management about three weeks prior to the start of our interim fieldwork. This meeting provides a venue for the District and us to ask additional questions regarding any aspect of the audit work, information to be provided, and reasonableness of timing for interim fieldwork.
Interim Fieldwork (June/July)	<input type="checkbox"/> The contractor will request documents such as contracts, minutes and bylaws. The contractor will begin to assess internal control structure and gather file documentation during interim fieldwork (estimated at one week). The contractor may perform substantive procedures on transactions and accounts, as deemed necessary. Examples would be testing journal entries, property and equipment and debt. <input type="checkbox"/> The contractor shall perform walk-throughs over your internal controls over financial reporting.
Communication (July, 2011)	<input type="checkbox"/> The contractor shall touch base with management about one month prior to the start of our final fieldwork. During this meeting the contractor shall share information about the status of audit confirmation letters and whether any confirmation letters remain to be received by us. This meeting provides a venue for the District and us to ask additional questions regarding any aspect of the audit work, information to be provided, and reasonableness of timing for final fieldwork.
Fieldwork (August 2011 or date mutually agreed upon)	<input type="checkbox"/> Fieldwork for the audit shall include completing the assessment of your internal controls and performing the majority of our tests of accounting records that the contractor consider necessary in order to enable us to express an opinion on your financial statements. Total fieldwork time is estimated at one week. <input type="checkbox"/> The contractor shall also perform the tests necessary to provide our conclusions on the agreed-upon procedures.
Communication During final fieldwork	<input type="checkbox"/> The contractor shall touch base with management on at least a weekly basis to share information about the status of our final fieldwork. The contractor shall also share any potential management letter comments with management. <input type="checkbox"/> The contractor shall hold an exit meeting with management and provide a list of any additional follow-up questions or information needed to conclude our audit procedures. The

- contractor shall also discuss logistics for issuing our final reports – for example, the number of copies to issue, to whom our reports shall be mailed, the method for presenting information to the County board, etc.
- Reporting
(Final Reports by
September 30, 2011)
- ☐ The contractor shall review the financial statements and prepare a letter of recommendation and a communication letter for the Board.
 - ☐ Delivery of final financial statements and letters

A more detailed approach to the audit is listed below:

2.7.2 Planning

Proper planning of the engagement is necessary for the audit to progress in an efficient manner. Planning procedures will include:

Reviewing correspondence files, prior auditor working papers, permanent files and any interim financial statements.

Conduct an entrance conference with Management and the Board. Inquiring about current business relations with the District. Coordinating the assistance of District personnel.

Reviewing specific regulations and any specific contract requirements affecting the engagement. Identifying areas that may need special consideration.

After the above areas have been reviewed, detailed audit programs specifically stating audit objectives, compliance requirements and audit procedures shall be established.

Prior to beginning fieldwork, the partners shall review the requirements of the audit engagement, including general audit approach, specific areas of assignment, major compliance issues and estimated timetable for the completion of the engagement.

2.7.3 Fieldwork

Based on the preliminary assumptions and significant regulations identified during the planning stage, fieldwork will progress in the following manner:

The District's procedures and staff involved will be documented in a permanent data file using District procedure manuals and interviews with District personnel.

Based upon the strengths and weaknesses of the District's procedures, the scopes of the fieldwork will be determined using auditor expertise gained from prior experience. This preliminary fieldwork will result in the evaluation of the existing internal control as a basis for reliance thereon and for the determination of the resultant extent for the tests to which auditing procedures are to be restricted.

2.7.4 Procedures for evaluating internal controls shall include:

2.7.4.1 Review of background information such as policy manuals, job descriptions, chart of accounts, and the District's organizational chart. Documentation of material transaction cycles.

2.7.4.2 Evaluation of the effectiveness of the internal control systems.

2.7.4.3 Determination of the nature, extent and timing of audit tests based on the preliminary evaluation.

2.7.4.4 Performance of walk-throughs to ensure that controls are as prescribed.

2.7.4.5 Reevaluation of internal controls based on the results of the walk-throughs.

2.7.4.6 Conclusion on the adequacy of the system of internal controls and determination of the nature, extent and timing of substantive tests.

2.7.5 Testing for Internal Controls and Walk-throughs:

Testing for internal accounting controls may be performed during preliminary work on payroll, cash disbursement, and cash receipts, as deemed necessary. Our utilization of sampling in auditing generally centers on controls testing, rather than substantive testing of account balances. The contractor uses quality control materials from PPC in all our audit engagements. These forms guide our staff through a logical process of assessing inherent risk, control risk, and combined audit risk, followed by an assessment of appropriate sample size for testing the following areas:

2.7.5.1 Controls over expenditures.

2.7.5.2 Controls over cash receipting

2.7.6 Sample sizes obtained via the PPC guidance system fall into categories of 25, 40, or 60, depending on circumstances. The most common scenario would be a selection of 40 transactions in the first year of our engagement, followed by a sample size of 25 in subsequent years, assuming no significant problems are discovered in the first year. Should the contractor utilize sampling techniques, the anticipate sampling the following areas:

2.7.6.1 Payroll - A random sample of payroll checks shall be selected and each will be verified with approved personnel records. The contractor testwork shall be designed to test the effectiveness of key controls developed by the District.

2.7.6.2 Cash disbursements - A random sample of accounts payable checks shall be selected and verified with supporting purchase orders, requisitions, invoices, receiving documents, etc. Amounts shall be traced to the general ledger and canceled checks shall be examined. Disbursement journals shall also be reviewed for any unusual items.

2.7.6.3 Cash receipts – For other significant cash receipting processes the contractor will obtain an understanding of key controls over financial statement transactions, evaluate the design of the controls and perform walk-throughs or sampling techniques on key controls to determine the effectiveness of key controls.

2.7.6.4 Journal entries - all journal entries shall be reviewed and any unusual or significant items will be tested.

2.7.7 Annually, the contractor shall rotate audit procedures and will perform tests of controls on some or all of the above areas utilizing the sampling techniques previously discussed.

2.7.7.1 Sufficient competent evidential matter

2.7.7.2 The contractor shall obtain sufficient competent evidential matter through inspection, observation, inquiries, and confirmations to afford a reasonable basis for an opinion regarding the financial statements under examination. An example of some of those procedures that will be performed during our final work in August shall include but not be limited to the following audit procedures:

2.7.8 Revenues

2.7.8.1 Confirm all grants received, if applicable.

2.7.8.2 Perform predictive tests on key financial statement transactions assessed as higher risk.

2.7.8.3 Use analytical procedures and predictive tests to determine the reasonableness of auto rental surcharge revenues and Chase Field operations.

2.7.8.4 Interest earnings shall be compared to investment records and confirmations for reasonableness.

2.7.9 Expenditures

2.7.9.1 Material expenditure line items shall be analyzed and any significant transactions during the year shall be tested. Depending on each account, a random sample of expenditures may also be selected for testing.

2.7.9.2 All debt service expenditures shall be agreed to debt retirement schedules.

2.7.9.3 Capital expenditures shall be reconciled to property and equipment additions.

2.7.9.4 Depreciation expense shall be reviewed for reasonableness and selected amounts will be recalculated.

2.7.9.5 June, July and August expenditures will be tested for proper cutoff.

2.7.9.6 Current to prior and current to budget analysis shall also be performed for significant departments and line items with any unusual variances shall be investigated.

2.7.9.7 Operating transfers shall be reconciled among all funds and shall be analyzed for allowability.

2.7.10 Other Areas

2.7.10.1 Council meeting minutes for the year will be reviewed.

2.7.10.2 Representations from legal counsel shall be obtained regarding claims against the District.

2.7.10.3 Subsequent events will be reviewed for potential footnote disclosure.

2.7.11 Assets

2.7.11.1 All cash in bank and investments shall be confirmed and determinations made for presentation in accordance with GASB Statements 3 and 31.

2.7.11.2 Receivables shall be confirmed as part of revenue analysis and traced to subsequent cash receipts.

2.7.11.3 Interfund receivables and payables shall be reconciled.

2.7.11.4 Property and equipment totals and accumulated depreciation will be reconciled with current additions and prior year's balances.

2.7.11.5 Restricted assets and applicable reserves will be presented in accordance with GAAP.

2.7.11.6 Deferred charges and other assets will be analyzed to determine amounts are properly amortized.

2.7.12 Liabilities

2.7.12.1 Accounts payable and other accrued liabilities shall be tested to the applicable invoices and supporting documentation.

2.7.12.2 Deferred revenues shall be reconciled to supporting schedules and analyzed for reasonableness.

2.7.12.3 Compensated absences shall be confirmed with a sample of employees and recalculated using District policies and personnel records.

2.7.12.4 All bonds, state loans, capital leases, and similar long-term liabilities shall be verified with applicable debt retirement schedules and analysis of current year debt service payments.

2.7.13 Fund Equity

2.7.13.1 All fund balances shall be reconciled to the prior audited balances.

2.7.13.2 Fund balance classification in accordance with GASB Statement No. 54 shall be verified with applicable supporting documentation.

2.7.13.3 Net assets shall be reconciled to the prior year.

2.7.13.4 Net assets restrictions shall be verified and analyzed for reasonableness.

2.8 Analytical review

In accordance with generally accepted auditing standards, analytical review shall be utilized in the planning process and during the final review stage of the audit. Specific procedures would include comparison of actual results to prior years and to adopted budget (as amended), comparison of expected revenue (percent collected) to actual revenue recognized, and a reasonableness test for return on investments. Other substantive procedures may be supplemented by analytical procedures, depending on our audit risk assessment process.

2.9 Audit approach for future audits

The audit approach in future years shall not deviate much from the above approach. However, each year certain audit procedures shall be rotated and each audit shall include some surprise procedures in accordance with applicable audit standards. As part of our audit process, the contractor shall develop a plan to communicate regularly with management on the status of the preliminary work, final fieldwork and wrap- up following our final fieldwork.

2.10 Use of EDP software in the engagement

The contractor utilizes engagement software to manage a “paperless” audit process. All year-end account analysis schedules as prepared by the organization’s financial staff are easily imported to enhance audit efficiency and personnel time commitment. Additionally, each audit team is equipped with portable scanners for audit evidence that is not in an “Excel/Word/Adobe” format. This approach maximizes efficiency for our audit team and the District’s financial staff.

The contractor also obtains much of our accounting and auditing guidance on-line via a secure

Internet Web site. This is a comprehensive source for technical accounting and auditing publications and guidance which is routinely updated.

Recognizing the District's computer environment, the contractor may utilize file interrogation software to facilitate an efficient audit of large volumes of transactions. Our file interrogation software is able to read electronic downloads of transactions in many different formats, including text files, spreadsheet files, and database files. Potential applications for file interrogation may include for testing of internal controls, sampling for confirmation of receivables, sampling of disbursements, selection of journal entries related to identified fraud risks, summation of large volumes of similar transactions or sub-ledgers to determine agreement to the general ledger, and recalculation of depreciation expense per individual capital asset.

2.11 Information technology specialists

The contractor may involve our information technology specialists to document and evaluate the "soft" aspects of the District's information systems that are significant for financial accounting and reporting. The contractor IT specialists shall look at the District's disaster recovery plans / procedures, information back-up and storage plans / procedures, logical access to systems (i.e. passwords, user profiles, etc.), and physical access to servers. Information is valuable, and controlling access to it is critical. Involving our highly-skilled IT specialists in our services is a significant value-added option available with the Larson Allen audit.

2.12 New accounting and auditing standards

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards for which the contractor shall monitor implementation and application within the District:

2.12.1 GASB STATEMENT NO. 51: The statement clarifies the financial reporting and disclosure of intangible assets such as easements, water rights, timber rights, patents, trademarks, and computer software. In most cases, GASB Statement No. 51 requires that intangible assets be categorized as capital assets, and is effective for the year ending June 30, 2010

2.12.2 GASB STATEMENT NO. 54: This statement refines the fund balance section of the fund level balance sheet to provide for "restricted", "committed", and "unassigned" categories. The statement also clarifies definition and purpose of the various fund types and is effective for the year ending June 30, 2011.

2.12.3 Auditing Standard No. 115 amends No. 112 to redefine significant control deficiencies as "items less severe than material weakness, yet important enough to merit attention by those charged with governance" and was effective for the year ending June 30, 2010.

2.13 Audit segmentation:

SEGMENTATION FOR 2011	HOURS	STAFF LEVEL
Engagement Planning, Administration (including SAS 99)	15	All Levels
Board Minutes	5	Principal/Senior
CAFR Preparation and Review Financial Statements and	24	Principal/Quality Principal
Management Letter/Exit Meeting	10	Principal/Senior
Cash and Investments	24	Senior
Receivables and Revenues	30	Senior/Staff
Expenditures and Payables	24	Staff
Payroll and Related Liabilities	20	Staff

Inventories	5	Staff
Capital Assets	15	Senior/Staff
Prepaid Assets	5	Staff
Debt Service	20	Staff
IT Controls	8	Principal/Senior
Fund Equity	8	Principal/Senior
Internal Controls Procedures	15	Senior
Field, Principal, and Quality Review	20	Principal/Senior
Analytical Procedures	12	Principal/Senior
Typing, Footing, Proofing	10	Secretarial
TOTAL CAFR RELATED	270	
Agreed-Upon Procedures	45	All Levels
Total	315	

NOTE: The audit supervisor will be onsite when staff auditors are working on the audit.

2.14 Audit standards to be followed:

Auditing standards generally accepted in the United States of America as set forth by the American Institute of Certified Public Accountants, and the standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards* (2003).

Statement on Attestation Standards for Agreed-Upon Procedures.

Firm Qualifications and Experience

2.15 Providing timely service (meeting requested deadlines)

- 2.15.1 Being proactive (helping you throughout the year by providing more than just the basic audit)
- 2.15.2 Building strong client relationships
- 2.15.3 Being available and responsive (all calls or emails returned in one day or less)
- 2.15.4 Quality and integrity

2.16 The audit team serving the District shall be staffed from our Mesa office.

One of the best features of Larson Allen is our belief in industry specialization. Larson Allen's employees and principals choose one of our nine niche industries as their primary focus which provides our clients with extensive knowledge of the industry accounting and auditing requirements, the risks and concerns of our clients and the new and exciting opportunities that may be available now and in the future. The contractor is dedicated to the industry in client services and training. The nonprofit and government group, which includes government (cities, townships school districts and other governmental entities), educational, non-profit, association and foundation institutions, is the second largest industry group within the Firm.

The nine industry groups are as follows:

Nonprofit and Government	Construction and Real Estate
Health Care	Agri-business
Manufacturing and Distribution	Auto Dealers
Hospitality	Trucking and Transportation
Financial Institutions	

2.17 Nonprofit and government group

The Larson Allen Nonprofit and Government Group provides audit, consulting, training and accounting services to cities and townships, educational institutions, other government entities, nonprofits, associations and foundations. Our national nonprofit and government group has over 40 principals and approximately 175 professionals who spend between 80 and 100 percent of their time serving these clients. Our Phoenix office has 4 Principals, 2 managers and over 20 staff members dedicated to government and nonprofit. The contractor performs over 3,100 annual financial statement audits, including more than 730 local government (GASB financial statement) audits. The staff assigned to the audit shall be dedicated to the District during fieldwork and shall not be conducting fieldwork on another engagement during this time. All work shall be supervised by CPA's. It is our intention to staff the audit with well trained and experienced staff to ensure the District does not need to "train" our staff during fieldwork.

In addition to the types of organizations the contractor serve, the contractor provides OMB A-133 audits to over 200 clients. Our audit teams are knowledgeable of the requirements within the OMB Circulars (laws and regulations concerning the expending of federal funds). The contractor also audit many government institutions with yellow book requirements which broaden our staff's knowledge of the federal laws and regulations. Larson Allen is very proud to be one of the original members of the Governmental Audit Quality Center.

2.18 Quality control

Larson Allen is quality conscious, maintaining a high level of quality control throughout the Firm. Our firm is a member of the Private Companies Practice Section of the Division of Firms of the American Institute of Certified Public Accountants. The contractor shall continue to participate in the profession's program of self regulation through peer review. Our most recent peer review (included in the Appendix) resulted in an unqualified opinion with no additional comments. Our peer review included a review of specific government (Yellow Book) engagements.

A principal from the Phoenix office with more than 14 years of experience serving Arizona Cities and Towns– Dennis Osuch – to serve your account. Dennis has served as the lead principal on numerous Arizona governments and is familiar with the importance of working closely with District staff to ensure the District receives a quality audit.

Further, our process in staffing client engagements is to use staff with greater experience to ensure high quality, even more so in the year of transition to a new audit firm. Our staffing will be largely comprised of auditors with specific Arizona experience to ensure you are receiving the highest quality audit through knowledgeable and experienced auditors who have done extensive work in Arizona. The contractor has chosen a strong audit team to serve the county to eliminate the unnecessary inquiries of county staff and the contractor shall choose an experienced information technology specialist to supplement the information technology aspect of our audit services if the contractor determines these procedures to be necessary. Other personnel assigned to your account shall specialize in the area they are to complete and shall have experience serving clients with similar issues.

2.19 Local Office Experience

The contractor performs approximately 150 audits of cities, towns, school districts, other governmental entities, and nonprofit entities, firm-wide the contractor serves more than 3,100 governments and nonprofit clients. Of the 75 plus government audits our local office performs, approximately 85 percent of those audits are conducted in accordance with government auditing standards.

Larson Allen has been providing audit services and other consulting services to Arizona governments for more than 23 years. Our most recent non-audit engagement, involving significant hours and rather high profile was our agreed-upon procedures work performed at the

City of Surprise in 2010. In the past year, the contractor has also provided business services to a school district in Pinal County, providing outsourcing services, including payroll and accounts payable and have performed numerous consulting engagement related to capital assets (Riverside School District 2008 to present), compensated absences, policy reviews and agreed-upon procedures (City of Nogales 2005 to present; Valley Metro Rail 2010; Regional Public Transportation Authority 2005 to Present and numerous other clients).

Our extensive experience beyond the audit has provided valuable recommendations to our clients. At Larson Allen, our goal is to be Noticeably Different through our efforts to better the environment and services our clients provide.

Larson Allen Information Security Services is the consulting division within Larson Allen that specializes in information security assessments and consulting services. The resources within this group are certified security professionals that have significant experience related to the protection of information that is either electronic or on printed documents. For over ten years, the information security services group has provided IT audit and security consulting services in virtually all industry markets we serve.

Focusing on information security can be a competitive advantage in the marketplace and minimize potential legal risks to any organization. Making information security a priority within the organization also demonstrates to employees that management understands the importance of protecting its most valuable asset - customer information. As a result, Larson Allen provides several security-focused consulting services that can be customized to specific requirements. Larson Allen Information Security Services has significant experience and expertise related to identifying exposures and risks to assist organizations in implementing the proper controls and procedures to mitigate or eliminate the various risks.

2.20 Sales / use taxation

States have been very active in auditing organizations' compliance with state sales and use tax regulations, often resulting in significant assessments and penalties. Our office has a team of professionals who specialize in multi-state sales and use taxation. The contractor have involved these specialists to assist clients in negotiating with state auditors to mitigate significant portions of sales / use tax assessments and penalties, and in filing for sales tax refunds. Further, these specialists are very knowledgeable on sales / use tax as it relates to construction activities, and can provide guidance on structuring construction contracts such that payment of sales /use tax is avoided.

2.21 Payroll and benefits taxation

Another "hot topic" in recent years has been compliance with reporting and documentation of expense reimbursements to employees. Our tax specialists have been very involved with reviewing findings of payroll audits conducted by the Internal Revenue Service, and in guiding clients as to the proper recording and documentation of employee expenses. The contractor also have a group of specialists who process payroll for our non-audit clients, and the contractor can tap into the knowledge of these specialists at any time to answer any questions you might have regarding taxability components of payroll and related benefits.

2.22 Employee benefit plans

Larson Allen is a leader in providing employee benefit assurance and consulting services to plan sponsors and third party administrators throughout the country. Our principals have extensive experience in the benefit industry. This experience includes involvement in standard setting for employee benefit plans through the American Institute of Certified Public Accountants and speaking on current accounting, tax, and regulatory issues for national and local professional organizations. The contractor is highly regarded in the employee benefit industry by trustees, administrators, financial institutions and the legal community.

The principal-in-charge of benefits services at Larson Allen, Anita Baker, currently serves as the Chair of the AICPA Employee Benefit Plan Audit Quality Center Executive Committee. In addition, the contractor also has a principal who serves on the AICPA National Employee Benefit Plan Expert Panel. It is these types of resources that enable Larson Allen to provide a high level of service for employee benefits.

2.23 Bond offerings

Our firm is routinely involved with the issuance of municipal debt. The contractor is very familiar with both the underlying professional standards and underwriter requirements.

For “municipal” bond offerings, the contractor typically performs agreed-upon procedures on stub-period financial statements for the benefit of underwriters. The contractor requires agreement with the underwriters on procedures to be performed on stub-period financial information before the contractor begins work on such stub-period financial information. The contractor also requires a separate engagement letter to be signed by our clients regarding such procedures. Typically, these procedures include updating our reading of minutes of governing bodies, updating letters from attorneys, reading the most current interim financial statements available and agreement of such information to clients’ financial records, and obtaining representation letters from our client. Through smart use of technology, these procedures can be done without the need for on-site work at your locations.

2.24 Sarbanes-Oxley

Larson Allen does not audit publicly-held clients. However, the contractor have provided significant implementation services to assist organizations that are subject to the Sarbanes-Oxley Act (SOX), including documenting internal controls, recommending best practices in internal controls, assisting internal audit departments in developing plans to test internal controls and assisting organizations in remediating weaknesses in internal controls.

Major themes of SOX – such as performing “walk-throughs” of significant financial reporting processes and adopting a “risk-based” audit approach – are now present in the new auditing standards that affect all organizations. Larson Allen’s past experience with SOX gives us an advantage in implementing the new “risk-based” auditing standards. In fact, Larson Allen has been doing risk-based auditing for several years.

EXHIBIT B-2

SCOPE OF SERVICES CONTINUED

QUESTIONS & RESPONSES

LarsonAllen
LLP
CPAs, Consultants & Advisors
www.larsonallen.com

1201 South Alma School Road, Suite 14000
Mesa, AZ 85210-2096
480-615-2300, Fax 480-615-2350

April 5, 2011

Maricopa County
Maricopa County Stadium District
401 E. Jefferson Street, 2nd Floor
Phoenix, Arizona 85004

Dear Committee:

I am writing in response to the written questions the Committee had regarding our proposal for audit services (Solicitation Number 10113-RFP). The following responses are enumerated in the order in which the questions were provided.

1. Point #1 in our "Proposal" Section of the RFP states "We will draft the comprehensive annual financial reports from your records and audit the financial statements of the Maricopa County Stadium District (the "District") in accordance with auditing standards generally accepted in the United States of America (generally accepted auditing standards) and *Government Auditing Standards*." The term draft, as used in our proposal in synonymous with the term the term "prepare" used in your request proposal in Section 2.1.1. Therefore, as part of our audit, we will prepare the comprehensive annual financial statements.

Maricopa County Stadium District follows Government Accounting Standards; therefore, the statement ". . . and audit the financial statements of the Maricopa County Stadium District (the "District") in accordance with auditing standards generally accepted in the United States of America (generally accepted auditing standards) and *Government Auditing Standards*" was written to imply that we will incorporate any new Government Accounting Standard Board Pronouncements or other supplemental information as required by GASB. Any deviation from those standards or lack of implementation would not allow us to issue an opinion that the financial statements are in accordance with generally accepted accounting principles.

2. As discussed in #1 above, drafting or preparing the financial statements in accordance with generally accepted accounting principles requires including all required supplementary information. Therefore, our proposal will include preparation of all supplementary information, with the following exceptions. As noted in accounting standards, preparation of the management discussion and analysis by the audit firm does impair independence of the audit firm. We will however, provide a word document of the management discussion and analysis with the required disclosures, updated comparative data and highlight explanations of significant changes from current and prior year for management to provide updates.

In addition, it will be management's responsibility to provide the letter of transmittal and updated statistical data. We will assist in the preparation of the statistical information and we will provide the statistical data that relates directly to the financial statements; however, we will work with management to obtain information as it relates to revenue capacity, debt capacity and demographic and economic information.

We will prepare the combining individual fund financial schedules and budget to actual schedules from your records.



An Independent member of Nexia International

3. We will prepare the comprehensive annual financial report according to the program requirements of the Government Finance Officers' Association Certificate of Achievement for Excellence in Financial Reporting Award Program and we will respond to the prior year comments. At LarsonAllen, we prepare numerous comprehensive annual financial reports to GFOA for consideration of the award locally and nationally. It has been our practice in most cases to address the prior year GFOA comments during preparation of the CAFR and draft a letter to respond to those comments for management to review and sign. In addition, in most cases, we will prepare the GFOA application, pay the GFOA application fee on behalf of the organization and submit the reporting package to GFOA for consideration. We request reimbursement of the GFOA filing fee on our final billing.
4. At LarsonAllen, our workpapers and final reports go through several review processes. Typically, the manager or senior in-charge of the audit will draft a majority of the financial statements during fieldwork. Following fieldwork, but prior to sending the draft to our clients, the workpapers and the reports are reviewed by the principal-in-charge and a second review is completed by our quality technical group. This process does not add significant hours to the engagement, but provides significant quality to the product that goes to our clients. The cost related to the dual principal review is minimal; however, the quality technical reviewer is a dedicated LarsonAllen principal who is an expert in GASB, GAAP and audit standards, ensuring our clients are receiving the highest quality product.
5. As discussed in #4 above, your audit will always be staffed by one principal-in-charge of the audit and one principal assigned as the quality reviewer. As noted in #4 above and in our proposal, the quality review principal's hours are limited to 4 hours as part of our final technical quality review. We anticipate a manager overseeing the audit and one senior assigned to oversee all fieldwork. In the first year, we anticipate the Senior and two staff members to conduct a majority of the fieldwork, with oversight by the manager. In future audits, we anticipate a similar staffing level as it relates to the fieldwork; we anticipate a senior and two staff members to conduct a majority of the fieldwork.

Our proposed fee is all-inclusive. The hours presented are estimated hours of staff level, including principal involvement. One of the value-added benefits you will receive from LarsonAllen is the amount of principal involvement you will receive. Although we have budgeted 25 hours of principal involvement from the principal-in-charge, you can anticipate more hours from the principal-in-charge at no additional fee.

Depending on the complexity of the organization and lack of audit issues, we may assign only one manager and two staff accountants to the audit. The manager and staff assigned to the audit would be individuals who have been assigned to your audit previously. As previously discussed, the audit will continue to be overseen by the principal-in-charge and the quality technical principal will continue to conduct the second principal review.

6. As required by auditing standards, we will continue to rotate audit procedures and perform tests of unpredictability. This means we may reduce our sample sizes in the future, but perform additional tests to address the rotation of audit procedures and tests of unpredictability. Therefore, our hours, as we become more familiar with your organization may be reduced; however, in order to satisfy audit standards, those hours may not be significantly reduced as we perform other procedures.

We understand that the first and possibly the second year of the audit may require additional hours; however, it is not our policy to bill you in the first and second year based on those anticipated hours. Generally, our profit margins are much lower in the first and second years because we budget the first and second years based on what we anticipate our hours will be in future years. Therefore, we anticipate some efficiencies in future years, but anticipate our hours in future years to approximate the hours proposed in our proposal.

7. Based on our understanding of the agreed-upon procedures work that is to be performed, we anticipated there may be some contention given the nature of the work to be performed. It was our intention to approach the agreed-upon procedures early in the audit process. We would like to begin selecting our samples and performing testwork related to the agreed-upon procedures prior to the start of final work. This would allow sufficient time for follow-up related to outstanding testwork and provide efficiencies where we could address outstanding items during the audit fieldwork. Our hope is that by beginning the agreed-upon procedures early in the audit process, we could complete the agreed-upon procedures in conjunction with the audit of the financial statements.

In the first year and in future years, we anticipate selecting our samples and facilitating those requests through the District. As we develop a relationship with the vendors, we anticipate less assistance from the District; however, we feel the District's participation in our testwork is vital to ensuring information is prepared timely for our review.

We would like to thank you again for this opportunity. I hope that our responses appropriately addressed the questions you had. If you need additional clarification, please feel free to contact me at 480-615-2333.

Sincerely,



Dennis J. Osuch, CPA
LarsonAllen LLP
Principal
480-615-2333
dosuch@larsonallen.com

LARSONALLEN LLP, 1201 SOUTH ALMA SCHOOL RD. SUITE 14000, MESA, AZ 85210

PRICING SHEET: NIGP CODES: 9180406, 9180407

Vendor Number: 2011000628 0

Certificates of Insurance Required

Contract Period: To cover the period ending ~~June 30~~ **May 31, 2012.**